The power and efficiency of the organization depends on the character and personality of the officers and members of the Council and the loyalty of its members. The members, through the Constitution and By-Laws, have assigned the officers and Councilors certain definite duties and have laid upon them the responsibility of representing the membership in public relations. Having delegated these powers, it is in order to loyally support the Council and officers in the programs and policies they have approved.

All medical progress in our State is dependent on wise and carefully considered action by our governing body, the Council. All medical programs, involving the relations between the medical profession and lay groups or the general public, are the legitimate concern of the Council and officers.

Any individual or group acting independently of the Council and its duly appointed representatives, in conference with lay groups in determining programs and plans that involve the welfare of the medical profession, is disloyal to the arganization of which he is a member and should be disciplined or excluded from the fellowship of the society. It is fundamental that any society must protect itself from unauthorized actions that mislead the laity as to who the responsible and duly authorized spokemen of the medical organization may be. A contrary conception of the relation of the individual member to the society makes for dissension, bitter denunciations, and a complete paraplegia of the organization.

While I admire independent thinking and find my own mental processes stimulated by listening to opinions in frank opposition to my own, I am convinced that a man who insists on checkmating and circumventing the matured and well considered policies of the medical organization is a menace to the organization, which is of far more importance to the public and ourselves than any one man or self-seeking group. To state this fundamental thing more bluntly, every member should be a good sportsman and play the game according to the rules, not seeking
5446 the aggrandizement of himself and not forgetting the interests of others.

This organization is your organization. It belongs to all of you. Ultimately anything that is done to cripple its activities will cripple us individually. If you don't agree with the policies adopted and pursued, the place for utterance of your protests is the meeting of the Council, where you will be given a courteous hearing and where you may

be assured a decision will be forthcoming that is based on the merits of your proposition.

If you have in mind a plan of action on any subject that we should consider, bring it before the Executive Committee or the Council. You all know where the office of the executive secretary is located, and he will give you information as to meetings of the Executive Committee and the Council.

Presidents come and presidents go. They do not determine the continuing policies of the Society. They are of importance in this way. A good executive selects men who put the programs over through committee activity. A poor executive just rides along and the work lags until he is supplanted by his successor.

The office of President should be cherished as a high honor and should be conferred only on those who have been proven true to our ideals and who have earned this recognition. I am convinced that no man should seek this position.

We as an organization mind our own business. The individual members should do likewise and leave to the Society the handling of matters properly belonging to it. Solidarity is the sine qua non of success. Let's be good sports. Play the game according to the rules and present a united front.

Thanking you for your patient attention and thanking most earnestly all those who have cooperated with me in my earnest efforts to be of some value to the profession which I love, my swan song is ended with the only command I have ever given you. Carry on, fellows! Carry on!

• • • • •

Plaintiff's Exhibit 702

5447 MINUTES

July 9, 1936

A special meeting of the Council of the Oregon State Medical Society was held at the Multnomah Hotel on Thursday, July 9th, at 6:15 P.M. The following members of the Council were present: G. A. Massey, A. M. Webster, Thomas Wynne Watts, W. J. Weese, Otis F. Akin, Morris L. Bridgeman, Blair Holcomb, Karl H. Martzloff, Charles E. Sears, Charles E. Hunt, Charles T. Sweeney, E. D. Lamb, Helen A. Cary, and John H. Fitzgibbon. A. G. Bettman, editor of the Oregon section of Northwest

Medicine, Richard B. Adams, Thomas A. McKenzie, and the executive secretary were also present.

The meeting was called to order by President G. A. Massey. The minutes of May 27th were read and approved.

• • • • •

5448 There was considerable discussion regarding erroneous statements appearing in the local press and false ideas widely held by lay people concerning the attitude of the medical profession toward new schemes of medical practice. Upon motion duly made and seconded, it was voted that the President appoint a special committee on information and propaganda to prepare articles along broad lines of ethics and economics for the education of the medical profession and the lay public. President Massey appointed the following committee: Charles E. Sears, chairman; Richard B. Adams, Karl H. Martzloff, Charles T. Sweeney, and Charles E. Hunt. Dr. Fitzgibbon suggested that the committee should issue press releases similar to those used by the American Medical Association. Dr. Martzloff suggested that the committee should have power to meet adverse publicity in emergencies.

Dr. Thomas A. McKenzie of the Eugene Hospital and Clinic discussed the article in "The Medical Reporter" entitled "In An Oregon Town" which presumably referred to his group. He stated that the article was unduly severe and made it difficult for him and the other young men on the staff of the Eugene Hospital and Clinic to improve the situation. Dr. McKenzie stated that several of the undesirable features of their contract practice had been eliminated, but that improvements could not be made any more rapidly that the general medical situation improved in Lane County where contract practice has been quite widespread for many years. He stated that the article in question had been used by one of the lay-owned hospital associations to obtain one of the contracts held by his group.

Dr. Massey stated that such articles were used in order to provoke discussion of various important phases of medical practice in the state.

Dr. Webster stated that it was unfortunate if anything had been done to hurt the Eugene group but that "The Medical Reporter" was an open forum for all the physicians of the state. He pointed out that every physician knows the location of the society's headquarters and that the Eugene group could have sent in a reply to the article.

Dr. McKenzie stated that his group had considered sending in an answer but that they decided not to air the matter widely, inasmuch as the article did not specifically mention his group.

Dr. Hunt stated that Dr. McKenzie represented a group within a group, that these younger physicians desired to be ethical, but were associated with an institution which had been in contract practice for many years. Dr. Hunt stated that an effort had been made in Lane County to unite all the members of the local medical society in an organization to provide contract service. He said that this step created a vicious circle of competition with the physicians in the newly-organized association performing service for the older, lay-owned associations, thus competing with their own organizations. Dr. Hunt called attention to the dangers of family contract which was being offered to some extent in his county. He stated that the Lane County Medical Society was attempting to work out a solution, which was planned to include the elimination of the lay-owned hospital associations, the limitation of contract service to industrial concerns, and obtaining the cooperation of the hospitals in refusing to provide service to the patients of lay-owned hospital associations. Dr. Hunt said that the principal question in the minds of the members of the Lane County Medical Society was as to how serious the Council was in dealing with unethical contract practice and whether the Council would function along the lines it has indicated. He said that after the recent address of Dr. Fishbein before the Multnomah County Medical Society, there could be no doubt concerning the position of the American Medical Association in the matter.

Plaintiff's Exhibit 703

5449 MINUTES

February 5, 1938

The regular monthly meeting of the Council of the Oregon State Medical Society was held at the Mallory Hotel on Saturday, February 5th, at 2:00 P.M. The following members of the Council were present: Charles T. Sweeney, Charles E. Sears, W. W. Baum, Richard B. Adams, W. F. Hollenbeck, Morris L. Bridgeman, Guy L. Boyden, O. C. Hagmeier, Charles E. Hunt, E. D. Lamb, Thompson Coberth, L. S. Kent and Ralph A. Fenton.

Joseph F. Wood, Secretary of the State Board of Medical Examiners, Stanley Lamb, George E. Henton, Burton W. Myers, and the executive secretary were also present.

The meeting was called to order by President Charles T. Sweeney.

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of January 15th and to adopt the minutes in the form in which they had been previously mailed to the members of the Council.

The following bills were read and approved:

• • • • •

5450 President Sweeney called for the report of the Executive Committee. The executive secretary reported the following actions of the Committee:

1. Voted to recommend that the Council adopt the following policy with respect to the question raised by the Lane County Medical Society concerning the indirect rendering of services for unethical contract organizations:

   The Council has referred to the Executive Committee a request received from one of our component societies for a decision as to whether it is in conformity with the Principles of Medical Ethics for a physician to render service to an individual and accept payment of a reasonable and customary fee from such an individual, when the physician knows or has good reason to believe that the individual is covered by a contract with an organization which employs practices which are in violation of the Principles and that the patient is obtaining from the contract organization the money to pay his fee.

   The Executive Committee is of the opinion that such a practice is unsound, dangerous, and contrary to public policy. A practice of this kind, by indirection, supports and lends cooperation to the operation of organizations which employ methods in contravention of the Principles and is essentially a subterfuge. If it is unethical for a physician to be directly associated with such an organization, it is equally objectionable to be associated with it by a subterfuge.

   Moreover, such a practice tends to give the impression that the Principles of Medical Ethics

are primarily concerned with the power of revenue, rather than with the broader fundamental concepts of methods employed to obtain patients, such as advertising and solicitation, the maintenance of a high quality of medical care, and other basic principles whose purpose is the protection of the public welfare.

By permitting himself to become a tool in such questionable commercial practices, the physician, for immediate gain, prostitutes himself to organizations employing unethical methods, losing sight of the fact that ultimately he destroys his professional standards, loses personal interest in his patients, suffers a decline of his professional proficiency, and contributes to sacrificing the public welfare through medical care.

A practice of this kind is especially evil in a community with a small number of physicians. It permits organizations employing unethical methods to play one physician against another and, by favoritism, to create dissension among the physicians. Where such an organization has only one or two contracts in a community, such a practice encourages a situation in which, in order to obtain an entering wedge in the community, the contract organization may give much more service to persons covered by its contracts that can possibly be justified by the amount it receives from its subscribers.

For these reasons, the Executive Committee is of the opinion that such a practice is in violation of the Principles of Medical Ethics.

5451 Upon motion duly made and seconded, it was voted that this recommendation be laid on the table until the Committee on Medical Economics submits its report on contract practice.

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Plaintiff's Exhibit 705

5452 JAN. 1, 1940. VOL. 4. No. 1

BULLETIN OF THE MULTNOMAH COUNTY MEDICAL SOCIETY

Published on the first and fifteenth of each month during the active sessions of the society.

EDITORIAL OFFICE ..... Medical Dental Building, Portland, Oregon

CHARLES P. WILSON, M.D., Editor

BUSINESS OFFICE ..... LAncaster 1700, 1602 S. E. Division Street, Portland, Oregon

Authorized by the Council of the Multnomah County Medical Society and published under the auspices of the Publicity Committee

OFFICERS ELECTED AND INSTALLED AT THE ANNUAL MEETING

Roy A. Payne
President
Stanley Lamb
President Elect
W. H. Bueermann
Vice-President
C. P. Wilson
Secretary
B. O. Woods
Treasurer

The following councilors were elected for a two-year term, ending in 1941:

George E. Henton.
H. L. Blosser.
Charles C. Newcastle.
Sherman E. Rees.
E. E. Gambee.
Thomas D. Robertson.

Holdover councilors whose terms expire December, 1940:

Earl Anderson.
E. L. Boylen.
R. V. Moore.
Dean Seabrook.
C. E. Sears.
B. A. Van Loan.

The following were elected delegates to the Oregon State Medical Society:

Richard Adams.
C. G. Ashely.
G. H. Bendshadler.
John Besson.
R. A. Bissett.
C. Cathey.
F. H. Dammasch.
A. Davis.
W. C. Foster.
R. L. McArthur.
J. R. Montague.
F. R. Mount.
P. T. Neely.
W. F. Patrick.
R. A. Payne.
J. E. Raaf.
C. P. Wilson.
Wm. M. Wilson.

5453 POLICIES AND ACTIVITIES OF THE OREGON STATE MEDICAL SOCIETY*

The Principles of Ethics of this Society were conceived in a spirit of public welfare and service. The practical application of the Golden Rule has been fostered in the relationships existing between doctor and patient among the physicians. It is unprofessional and contrary to the public welfare for a physician to dispose of his services under conditions which make it impossible to render proper service to his patient or which interfere with reasonable competition among physicians in a community.

* Published as a paid advertisement in the Oregonian and the Oregon Journal, December 17, 1939 by the Committee on Public Relations of the Oregon State Medical Society. This same ad will be published in leading papers throughout the State.

In considering special plans to meet the needs of particular groups of our people, the Society observes these and other fundamental and ethical principles. For example, no third person is permitted to come between the patient and his physician and dictate less extensive diagnosis and treatment than the physician believes is in the best interest of the patient. Moreover, the patient's right to choose his physician and hospital is respected.

The Society has sponsored or approved special plans by which the services of its members, numbering more than 800 of the physicians of the state, have been made more readily available to people without means or in low-income groups. More than 250,000 people are receiving or are eligible to receive medical care under a number of different plans which serve several large classes of beneficiaries.

Under the Society's program to provide medical care to low-income groups, approved medical service bureaus are operating in 13 counties. These approved bureaus are nonprofit organizations established and operated by the physicians in each local community to provide protection to wage-earners in illness and injury through the payment of small monthly premiums. All subscribers' premiums, except modest, necessary administration costs are used to provide medical and hospital services.

In contemplation of the possible extension of the services of its members to these groups, the Society has made extensive studies of many and various pre-paid plans of medical care. The Society will not approve any of these plans until it has been clearly shown that they are in the best interests of the public and will maintain high standards of medical practice.

The Society is prepared to approve medical indemnity insurance plans which assist the subscriber to pay for his medical and hospital services, wherein payments are made directly to the subscriber.

Regardless of what special plans are adopted to provide prepaid medical care, or whether the plans are conducted by private, public or governmental agencies, it must be realized that no such plan can provide that personal and individualized service which most people expect under private medical practice.

Plaintiff's Exhibit 706

5454 Feb. 1, 1940. Vol. 4. No. 3

BULLETIN OF THE MULTNOMAH COUNTY MEDICAL SOCIETY

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Charles P. Wilson, M.D., Editor

Business Office ..... LAncaster 1700, 1602 S. E. Division Street, Portland, Oregon

Authorized by the Council of the Multnomah County Medical Society and published under the auspices of the Publicity Committee

COMMITTEE APPOINTMENTS

for 1940

MULTNOMAH COUNTY MEDICAL SOCIETY

Dr. Roy A. Payne, President, announces the following appointments to committees.

Standing Committees

Committee on Program

Charles P. Wilson, Chairman
Louis P. Gambee
W. F. Patrick

Committee on Public Relations

Blair Holcomb, Chairman (1942)
Frank R. Mount (1941)
Robert L. Benson (1940)

Committee on Public Policy

Richard B. Adams, Chairman (1940)
George E. Henton (1941)
Charles C. Newcastle (1942)

Committee on Public Health

W. H. Bueermann, Chairman (1940)
Adolph Weinzirl (1941)
Sherman E. Rees (1942)

Subcommittee on School Health

Charles P. Wilson, Chairman (1940)
Eugene P. Owen (1941)
Kenneth G. Smith (1942)

Committee on Medical Education and Hospitals

William A. Shea, Chairman (1940)
V. E. Dudman (1941)
E. E. Rippey (1942)
C. H. Manlove (ex-officio member as Chairman of Committee on Medical Education and Hospitals of the Oregon State Medical Society)

Committee on Library

N. W. Jones, Chairman (1940)
Ira E. Gaston (1941)
J. M. Roberts (1942)

Committee on Medical Economics

George E. Henton, Chairman (1940)
Guy L. Boyden (1941)
Earl M. Anderson (1942)

Committee on Charitable Medical Care

S. G. Henricke, Chairman (1940)
H. L. Blosser (1941)
Thomas Saunders (1942)

Committee on Membership

Dean B. Seabrook, Chairman (1940)
John Raaf (1941)
Charles E. Littlehales (1942)

Committee on Constitution and By-Laws

John R. Montague, Chairman (1942)
Karl H. Martzloff (1940)
D. C. Burkes (1941)

Advisory Committee to Woman's Auxiliary

A. M. Webster, Chairman (1940)
John H. Besson (1941)
Harry B. Moore (1942)

5455 **1940 OBJECTIVES**

of the

OREGON STATE MEDICAL SOCIETY

1. An enlarged program to bring more and better medical service to low-wage groups and the people generally.
2. An expanded program of postgraduate education for physicians throughout the state.
3. An enlarged program of public relations to inform the public concerning the principles underlying high-type medical service and the evils of politically or commercially controlled medical service.
4. Close cooperation with every agency whose program touches medical care, preventive medicine, health education or any phase of medicine.
5. Full support of the Platform of the American Medical Association to improve the health and medical services of the Nation.

Every physician in the state is urged to support these objectives by membership in his local medical society and the Oregon State Medical Society and participation in their activities.

The material which follows carries three important messages from the Oregon State Medical Society. Please read them carefully and save for reference.

—Charles E. Hunt, M.D., President

5456 **POLICY CONCERNING ETHICAL RELATIONSHIPS OF MEMBERS IN SERVING SUBSCRIBERS OF UNAPPROVED HOSPITAL ASSOCIATIONS AND SIMILAR ORGANIZATIONS***

1. The following conduct of physicians may be regarded by the disciplinary bodies of the local medical societies as

* Adopted by the Council of the Oregon State Medical Society on Jan. 13, 1940.

some evidence of association with unapproved organizations or organizations engaged in unethical practices:

(a) Accepting tickets of such organizations.

(b) Billing such organizations directly.

(c) Accepting payment directly on the organization's fee schedule, including accepting checks from such organizations, or checks of such organizations endorsed by the patient.

(d) Rendering reports to such associations concerning conditions of the physician's patients.

(e) Becoming one of a limited panel of physicians at the call of such organizations.

(f) Any other conduct indicating association with such organizations.

2. *Merely performing medical service for a patient* who happens to be covered by a contract of an unapproved hospital association or similar organization is not in itself sufficient evidence of association of physicians with such associations or organizations *provided the entire dealing and conduct of the physician shows the normal relationship of physician and patient.*

3. Such organizations employ methods which are not in the best interests of the public and the medical profession in that:

(a) *They interject a third party between the patient and his physician and attempt to control* the nature and extent of the physician's services to the patient.

(b) *They attempt to control the compensation of the physician* which should always be determined by the patient and his physician, keeping in mind the patient's ability to pay.

(c) *They reap a profit from the physician's services, at the expense of the patient.*

(d) *They seek to gain control over the medical profession.* Domination of the medical profession by commercial corporations is probably more detrimental to the public welfare and the medical profession than regimentation by

the government. Due largely to the efforts of organized medicine, efforts to promote the federal control of medical practice have suffered severe set-backs during the last year. *Public opinion is turning toward the medical profession and the present system of private practice.* These gains will be nullified if commercial corporations obtain domination over medical practice.

5457 POLICY CONCERNING SPECIAL PLANS OF MEDICAL CARE*

WHEREAS, the House of Delegates of the Oregon State Medical Society, on August 25th, 1938, adopted a Policy and Program for the Medical Care of Low-Wage Industrial Groups, under which local plans for the care of such groups may be approved by the local societies and the Council of the Oregon State Medical Society, and such approved local plans now are serving approximately 30,000 employees in 16 counties, including a majority of the industrial centers of the state; and

WHEREAS, as an additional means of obtaining a better distribution of the costs of medical care, the American Medical Association and the Oregon State Medical Society have approved the principle of hospital service insurance as embodied in plans organized and operated by the hospitals on a non-profit basis; and

WHEREAS, the American Medical Association and the Oregon State Medical Society have also approved voluntary indemnity insurance plans, which are the best of the plans devised to obtain a better distribution of the costs of medical care; (voluntary indemnity insurance plans may be defined as plans operated by a true insurance company under the legal safeguards provided by the insurance laws governing health and accident insurance wherein the function of the company is restricted *solely to reimbursing the insured* for expenses incurred for medical and hospital services covered by its policy, as distinguished from plans operated under the hospital association law wherein the hospital associations operating the plans contract to furnish medical care to subscribers under conditions prescribed by these associations.) and

* Adopted by the Council of the Oregon State Medical Society on Jan. 13, 1940.

WHEREAS, the Oregon State Medical Society may be requested to approve various other types of special plans;

NOW THEREFORE, the Council of the Oregon State Medical Society hereby adopts the following policy to be applied in considering for approval special plans other than local medical service plans having the approval of the respective local societies, hospital service insurance plans, and voluntary indemnity insurance plans;

1. The sponsors of such other special plans should apply to the Council for approval and should not importune local societies or individual members of the Society for their approval without first applying for and obtaining the approval of the Council.

2. The sponsors of such plans must establish that their plans are organized and conducted in accordance with the best interests of the public, the policies of the Oregon State Medical Society, and the Principles of Medical Ethics.

3. The sponsors of such plans must establish clearly that their plans observe the following principles:

(a) All physicians practicing ethical medicine in their respective communities must be eligible to perform service and the agency conducting the plan must not have the power to arbitrarily exclude any physician from eligibility.

(b) Opportunity to practice medicine and surgery without a license must not exist or be inherent in the plan; as for example, the agency conducting the plan must not have power to determine whether an operation or other procedure is justified, when the physician employed by the subscriber deems such procedure advisable.

(c) The physician selected by the subscriber must be responsible solely to his patient and not to a third person, who can directly or indirectly terminate the physician's services because of his failure to satisfy such third person as to the efficacy of his service.

(d) The agency conducting the plan must not give the public the mistaken impression that it will pay all medical and surgical bills of the subscribers, when, as a
5458 matter of fact, the conditions and limitations of the contract are so numerous and physicians' fee schedules so low as to make such payment impossible.

(e) The agency conducting the plan must not attempt to sell physicians' services without their permission and without consulting them.

(f) The plan must not contain any other features not in the best interests of the public.

4. It is contrary to the best interests of the public and the medical profession for members of the Oregon State Medical Society or its component societies to associate themselves, directly or indirectly, with any special plan of medical care which has not been submitted to and approved by the Council.

5. The Secretary is instructed to transmit a copy of this resolution to each member of the Society.

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Plaintiff's Exhibit 707

5460 BULLETIN OF THE MULTNOMAH COUNTY MEDICAL SOCIETY

Published on the first and fifteenth of each month during the active sessions of the society.

EDITORIAL OFFICE ..... Medical Dental Building, Portland, Oregon

CHARLES P. WILSON, M.D., Editor

BUSINESS OFFICE ..... LAncaster 1700, 1602 S. E. Division Street, Portland, Oregon

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1940 OBJECTIVES

of the

OREGON STATE MEDICAL SOCIETY

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2. An expanded program of postgraduate education for physicians throughout the state.

3. An enlarged program of public relations to inform the public concerning the principles underlying high-type medical service and the evils of politically or commercially controlled medical service.

4. Close cooperation with every agency whose program touches medical care, preventive medicine, health education, or any phase of medicine.

5. Full support of the Platform of the American Medical Association to improve the health and medical services of the Nation.

5461 STATEMENT OF POLICIES

of the

OREGON STATE MEDICAL SOCIETY

concerning hospital associations and related plans of medical care, with analysis of the NEW HOSPITAL AND MEDICAL SECURITY CONTRACTS OF THE NATIONAL HOSPITAL ASSOCIATION

I

Many members of the Oregon State Medical Society have inquired about the new hospital and medical security contracts of the National Hospital Association and have requested a statement of the attitude of the Oregon State Medical Society toward these contracts.

The National Hospital Association has not applied to the Oregon State Medical Society for approval of its old industrial contracts nor for its new individual or family contracts. The Oregon State Medical Society has not approved any of these contracts.

A statement of some fundamental policies of the Oregon State Medical Society regarding hospital associations and related plans for medical care is given below. Members of the society can judge whether or not the new plan of the National Hospital Association complies with these policies by reading in full the contracts of the National Hospital Association for hospital and medical security, or by reading the quotations below from these contracts.

II

SOME FUNDAMENTAL POLICIES OF THE OREGON STATE MEDICAL SOCIETY REGARDING HOSPITAL ASSOCIATIONS AND RELATED PLANS FOR MEDICAL CARE*

1. All physicians practicing ethical medicine in their respective communities must be eligible to perform service. The agency conducting the plan must not have the power to arbitrarily exclude any physician from eligibility.

2. Opportunity to practice medicine and surgery without a license must not exist or be inherent in the plan. If the agency conducting the plan has the power to determine whether an operation or other procedure is justified, and the power to overrule the attending physician's recommendation, that agency is practicing medicine without a license.

3. The physician selected by the subscriber must be responsible solely to his patient and not to a third person. Such a third person can directly or indirectly terminate the physician's services because of his failure to satisfy such third person as to the efficacy of his service.

4. The agency conducting the plan must not give the public the impression that it will pay in full all medical and surgical bills of the subscribers. The conditions and limitations of most contracts are so numerous that such payment is impossible.

5. The agency conducting the plan must not attempt to sell physicians' services or establish a fee schedule for services without consulting with and obtaining the permission of those physicians.

III

IS THE NEW PLAN OF THE NATIONAL HOSPITAL ASSOCIATION AN INDEMNITY INSURANCE PLAN OR IS IT AN EXTENSION OF ITS HOSPITAL ASSOCIATION BUSINESS?

The National Hospital Association has not qualified to do business under the health and accident insurance laws

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* These policies are in consonance with the principles which have been followed by the Oregon State Medical Society and the American Medical Association since 1934 and are elaborations of the Principles of Medical Ethics.

of Oregon or any other state. The company is still doing business supposedly under the authority of the hospital association law.

The following quotations from the new contracts of the National Hospital Association show that the new plan is essentially a plan to provide medical, hospital and related services but drafted in such a manner as to leave the inference that it is now an insurance company.

"Foreword: This contract provides medical and surgical services, hospital care, * * * for the member of the class and to the extent herein defined for both sickness and injury wherever the member may be."

"* * * The Association, promises and agrees * * * to bear the expense of medical and surgical services, hospital care and special nursing for the member of the class and to the extent herein stated that are made necessary by sickness or injury as hereinafter defined, subject to the member's application herefor and to the provisions and conditions herein contained."

"This contract shall cover and the Association shall bear the expense of medical and surgical services, hospital care and special nursing for the member of the class and to the extent specified herein for the following causes, excluding all others. * * * "

"The benefits to which the member is entitled are hereinafter enumerated and defined, excluding all others:

"Medical and surgical services of the class and to the extent herein defined, including * * * "

"The Association undertakes only to bear the expense of medical and surgical services, hospital care, special nursing and related benefits defined in this contract to the extent such services and care are available and are actually necessary * * * "

"The intention of this contract is to provide medical and surgical attention and hospital care for the member, and it is mutually agreed that any remuneration to the member shall apply in payment of such care. * * * "

"The Association will pay, for medical and surgical care, examinations and related services, fees, congruous to the income of persons earning up to Twelve Hundred ($1200.00) Dollars per year or of other persons in like circumstances, but not in excess of fees established by the Association as maximum fees to be paid under this contract, and shall be subject to changes from time to time to meet changing conditions."

(Similar language is employed in relation to hospital and ambulance services.)

"The member and the Association shall cooperate in the execution of this contract to the end that the member shall receive prompt and efficient care at reasonable cost to the Association. * * * "

"The payments of the contract fees hereunder shall be evidenced by certificates issued by the duly authorized representatives of the Association. Such certificates shall contain the member's credentials for obtaining benefits to which he is entitled under this contract."

The application form provides: "Since 1906 the National Hospital Association has been engaged in providing protection for wage earners against the burdensome costs of sickness and injuries, principally for groups in the larger industries in the West. Now, to meet the many requests from the general public, the Association is extending its coverage to individuals and their families wherever they may be through an improved contract under which the member selects the doctor and the hospital."

IV

CONTROLS OVER MEDICAL PRACTICE PROVIDED UNDER THE PLAN

The question of whether or not the National Hospital Association retains control over the type and scope of medical attention to be rendered to subscribers of its "new" plan has been asked several times. The following quotations from the contract of the National Hospital Association show that it has retained as much control over medical practice as it had under its old plan and perhaps may be said to retain more control.

" * * * to bear the expense of * * * that are *made necessary* by sickness or injury as hereinafter defined. * * * "

"The member shall have the right to engage the services of any regularly licensed physician or surgeon who is a member of the American Medical Association and/or
5464 the American College of Surgeons, or any other duly licensed physician or surgeon in the United States, Canada or other foreign country; provided that *the physician or surgeon selected is acceptable to the Association.* * * * the Association may, in its discretion, engage a specialist and/or other physician or surgeon to associate

with, or act in consultation with the physician or surgeon engaged by the member, if in the judgment of the Association the member would be benefitted thereby."

"Operations where, after proper diagnosis, the member's condition clearly indicates the need of surgery.

"Consultation before operations, • • • "

" • • • The Association *will not assume charges of a general* Practitioner where the member's condition clearly indicates a need of a specialist and where the services of a specialist are available."

"One of the purposes of this contract is to protect the member against dangers resulting from *ill-advised and unnecessary operations.* Therefore, the member, before submitting to a surgical operation, shall furnish to the Association the name of the attending surgeon and *a statement by said surgeon giving history, laboratory findings and diagnosis of the condition for which the operation is recommended,* and upon request by the Association, the member *shall submit to consultation* by a physician or surgeon to be named by the Association, and to such further examination as the consulting physician or surgeon shall require. • • • "

"The Association *may reject any physician or surgeon* who fails or refuses to furnish information required of the member under this contract or any physician or surgeon who refuses consultation or who undertakes surgery or other special work he *is not qualified to perform* or who, for any other cause is not acceptable to the Association."

"The Association shall not assume charges for daily dressings or daily calls or visits unless the member's *condition clearly indicates the need for same,* and the Association shall not assume the expense of *unnecessary or excessive* x-rays, laboratory tests or other examinations, or of any other excessive or unnecessary services and care of the member."

"The Association will pay, for medical and surgical care, examinations and related services, fees congruous to the income of persons earning up to Twelve Hundred ($1200.00) Dollars per year or of other persons in like circumstances, but not in excess of fees established by the Association as maximum fees to be paid under this contract and which shall be subject to changes from time to time to meet changing conditions."

The member's receipt form provides: "The National Hospital Association will accept bills from doctors and

hospitals, for medical, surgical and hospital care of the member, subject to the provisions and conditions of the member's contract; provided that the *doctor engaged shall be qualified in the treatment of the particular condition and is acceptable to the Association* * * * ."

"Before submitting to a surgical operation or to any special examination or treatment, the member shall notify the Association, in writing, and shall request the attending doctor to furnish the Association with a report of the member's condition for which the operation or special examination or treatment is recommended, including history, laboratory and diagnostic findings, and such other information as the Association shall require—emergencies being excepted. *Doctors who refuse consultation or who fail or refuse to furnish the required information are not acceptable to the Association.*"

"The Association will accept the charges of doctors and hospitals up to the fees provided for in the member's contract, but it will not recognize charges *for unnecessary examinations or treatments* or for x-ray films which are not diagnostic. Bills for daily dressings, calls or visits, will be assumed only where the member's condition clearly indicates the need for same."

(This exhibit is part of the February 15, 1940 issue of the Bulletin of the Multnomah County Medical Society.)

Plaintiff's Exhibit 708

5465

NORTHWEST MEDICINE

The Journal of the State Medical Associations of Oregon, Washington, Idaho

Issued monthly by Northwest Medical Publishing Association

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VOL. 39, No. 5 MAY, 1940 $2.00 per Year

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• • • • •

STATE SECTIONS

Oregon

Sixty-Sixth Annual Meeting, Eugene, September 4-7

1940 OBJECTIVES

Oregon State Medical Society

1. An enlarged program to bring more and better medical service to low-wage groups and the people generally.

2. An expanded program of postgraduate education for physicians throughout the state.

3. An enlarged program of public relations to inform the public concerning the principles underlying high-type medi-

cal service and the evils of politically or commercially controlled medical service.

4. *Close cooperation with every agency whose program touches medical care, preventive medicine, health education or any phase of medicine.*

5. Full support of the platform of American Medical Association to improve the health and medical services of the Nation.

Every physician in the state is urged to support these objectives by membership in his local medical society and Oregon State Medical Society and participation in their activities.

PRESIDENT'S LETTER

Problems Confronting Organized Medicine in Oregon

For many years problems demanding the most attention by organized medicine in Oregon have been economic. As a result of economic chaos serious ethical problems have arisen which have demanded major attention by those responsible for the program of organized medicine. Members have been expelled or have resigned from membership in their county society or the state medical society, and the profession has all but been divided over these economic and ethical controversies. The fundamental cause underlying all this is the bad pattern of contract practice which has been in existence for many years and which was set up and controlled by lay individuals with a profit motive. All the bad practices and lack of ethical concepts have come out of this situation.

At a time when medical leadership of the highest type should have been exercised in forming this pattern, the men in control of medical policies were taken off guard and this improper pattern of practice became deeply entrenched in our state. Our profession thereby became involved in practices which we now see were exceedingly detrimental to the patient and to the profession. A selfish motive with disregard for professional ethics has led to deeper and deeper chaos. This type of contract practice has also been an important factor in furthering the cause of state medicine. Large numbers of people have learned to expect prepaid medicine on a low fee basis and we have played into the hands of those advocating compulsory health insurance. Private practice has suffered tremendously and has been

undermined by contracts, which do not provide free choice of physician and which create a serious break in patient-physician relationship.

Physician-owned-and-controlled Bureaus the Solution

What should be our attitude toward this bad situation, in which we have allowed ourselves to become entangled? We can wash our hands of the whole situation and embrace it as it is or we can try to change the picture by bringing back ethical control by physicians and instilling a nonprofit motive with the welfare of the patient as the sole objective. In Oregon we have chosen the latter course and are in the midst of a program of reforming the whole system of contract practice and placing it under the control of the medical profession where it belongs, realizing that contract practice is here to stay and that a demand for this type of practice will persist.

It is not always an easy or possible undertaking to reform a drunkard by marrying him. It has not been easy to reform contract practice in Oregon or to get it under the control of the profession. We have had a bad pattern to change and we have had to do so in the face of very active competition from lay groups who are organized for profit and who care nothing for medical ethics. We have not sought to injure any commercial group or necessarily put anybody out of business. It has been difficult ethically to compete with those who have no ethics. The selfishness and the seeking for personal gain on the part of many of our own members have failed to see the broader implications of their selfish actions and practices, the welfare of the profession as a whole or the welfare of the public.

Fundamental Principles Now in Effect

We have, however, through constant education of our members, accomplished the adoption of a number of fundamental principles relating to these problems and have put them into effect. Our program is now well under way and the cooperation of our members throughout the state is increasingly gratifying. Our policy recognizes that contract practice is here to stay. It has been and is being taken over by physician-owned medical service bureaus on a nonprofit basis. The service is being limited to industrial groups within a certain income level. The fees allowed for this service are considerably less than regular fees and represent a contribution on the part of physicians toward the

care of this worthy class of patients. We do not seek more and more of this type of medical work at a large profit but less and less as the economic status of these patients improve. It is our answer to those critics who deplore the lack of adequate medical care for the large number of workers in this class. It is not our desire that this type of practice should supplant private practice.

Local Autonomy the Desideratum

In our approved set-up we insist that there be only
5467 one physician-owned medical service bureau in a locality or district, that all the physicians in the area desiring to participate in this type of work be included and that there be complete autonomy in each area.

We insist on absolute free choice of physician and hospitals, within the limits of the cooperating panel, and that the service be adequate and of the highest type. We insist that there be no third party intervening between the physician and his patient or dictating the type of medical care to be given. We believe this type of service to the patient to be infinitely superior to lay-controlled, profit motivated plans. We believe this newer type of service to be of much greater benefit to both patient and physician and to the future practice of medicine and to the future health of the public.

Ethical Principles to Prevail

For a medical service bureau to be merely physician owned is not necessarily assurance that the ideals mentioned above will prevail. The physician members participating in this program must put into practice all the ethical principles laid down by the American Medical Association and the Oregon State Medical Society, and their conduct must be under the absolute control of their county and state medical societies. Principles of ethics and rules of procedure have been laid down by our state society and no medical service bureau is approved unless living up to these principles. The various bureaus in various parts of the state are in different stages of development and perfection. We have gone a long way but are not yet perfect. It is pleasing, however, to see the rapid progress and to see also that when these perplexing economic and ethical problems are straightened out the work of our local and state societies progresses and membership increases.

Lack of Familiarity the Greatest Barrier

The greatest barrier to the progress of our program is the lack of knowledge and understanding of the principles involved on the part of some of the members, combined with the ever present characteristics of selfishness and dishonesty on the part of a few which makes it more difficult to demonstrate a united front. Opposition, ignorance and dishonesty are rapidly diminishing and we feel quite certain that soon the major objectives will have been won on this the economic front and then we can be free to devote more time to the many problems demanding our attention and which have been more or less neglected in the past.

CHARLES E. HUNT,
President.

ORGANIZATION ACTIVITIES

The Council of Oregon State Medical Society met in Portland, April 20. The following items are selected from the rather full agenda because of their particular interest to the profession as a whole:

The Council authorized that a letter be sent to Senators Rufus C. Holman and Charles L. McNary, explaining the attitude of the State Medical Society relative to Senate Bill 3630, introduced by Senator Lodge of Massachusetts. It was pointed out that Senator Lodge's bill, which concerns itself with medical care, is indefinite as to the persons covered and services available under the coverage. It further pointed out the difficulty of establishing Federal grants in aid, and the fact that the Oregon State Public Welfare Commission and our society have carried out a program of low cost medical care to those in need on a quite satisfactory basis.

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Plaintiff's Exhibit 709

5468 • • • • •

ESTABLISHED POLICIES OF OREGON STATE MEDICAL SOCIETY

Prepayment plans of medical care are endorsed with certain definite limitations. Medical care for certain groups can be approved if this care is provided by physician owned and controlled service bureaus. All physicians practicing

ethical medicine must be eligible to perform service under any plan of group medical care. Hospital service plans offering hospitalization only can be approved, if profits are not derived from physician's services.

Voluntary indemnity insurance can be approved, if operated by a true insurance company whose medical function is limited to reimbursing the insured. Other special plans for providing medical care should first be approved by the Council of Oregon State Medical Society. Opportunity for the agency operating such plans to practice medicine without a license must not exist or be inherent in the plan.

The physician must be responsible solely to his patient at all times. An organization or corporation must not make a profit from the physician's services.

Oregon State Medical Society has no fee schedule.

• • • • •

ORGANIZATION ACTIVITIES

The Council of the Oregon State Medical Society met in Portland, March 1, 1941. A major portion of the time was devoted to consideration of the bills with medical implications before the legislature. A full discussion of the medical bills will be presented in this column next month.

Approval was granted to the Mast Hospital Association of Myrtle Point, making three approved organizations in this district. This action was possible because of the absence of economic competition and the services of all physicians would be available to any one contract.

The Committee on Exhibits for the annual session was instructed to follow the customary procedure of admitting all technical exhibitors, whose products are acceptable to the American Medical Association.

Other matters were discussed from the standpoint of progress and have not been developed sufficiently to allow a final report at this time.

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(This exhibit is part of the April 1941 issue of *Northwest Medicine.*)

Plaintiff's Exhibit 710

5469 OREGON STATE MEDICAL SOCIETY
Medical-Dental Building
Portland, Oregon

October 29, 1940

Dr. Frank E. Boyden, President
Clatsop County Medical Society
Astoria, Oregon

Dear Dr. Boyden:

It has been brought to our attention that the impression has been created among some physicians that the group and individual contracts to provide medical and related services now being written by the Oregon Medical Service, Inc., formerly the C. H. Weston Company, a commercial hospital association, have received the approval of the Oregon State Medical Society.

As this impression is erroneous, we shall greatly appreciate it if you will inform the members of your Society that the Oregon State Medical Society has not approved the contracts of the Oregon Medical Service, Inc., or the C. H. Weston Company.

Thanking you for your kind cooperation in this connection, we are,

Very sincerely yours,

OREGON STATE MEDICAL SOCIETY

by (Signed) MORRIS L. BRIDGEMAN
Secretary

Plaintiff's Exhibit 711

5472 THE BULLETIN OF THE MULTNOMAH COUNTY MEDICAL SOCIETY

NOMINATING COMMITTEE APPOINTED

The Council of the Multnomah County Medical Society has appointed the Committee on Nominations, in accordance with the constitution. This committee will submit a list of names for the various officers, and the Council will choose from this list those names which it decides to place before the general society for its consideration.

The present Nominating Committee is as follows: Harold L. Blosser, Ralph V. Moore, and Charles P. Wilson.

The Nominating Committee requests that members of the County Medical Society indicate their desires for the various offices to be filled. This Committee reports to the Council on December 3, and the decision of the Council is presented to the Society at its regular meeting on December 4. Additional nominations may be made from the floor at this December 4 meeting, but not at the annual meeting on December 18.

The offices to be filled are as follows: President-Elect, Vice-President, Secretary, Treasurer, six Councilors to serve one year, and six Councilors to serve two years.

The Nominating Committee is anxious to have your suggestions, so please feel free to call them at any time before December 3.

APPROVAL DENIED AGAIN

It has been brought to our attention that the impression has been created among some physicians that the group and individual contracts to provide medical and related services now being written by the Oregon Medical Service, Inc., formerly the C. H. Weston Company, a commercial hospital association, have received the approval of the Oregon State Medical Society.

As this impression is erroneous, we shall greatly appreciate it if you will inform the members of your Society that the Oregon State Medical Society *has not approved* the contracts of the Oregon Medical Service, Inc., or the C. H. Weston Company.

Oregon State Medical Society

(This exhibit is part of the December 1, 1940 issue of the Bulletin of the Multnomah County Medical Society.)

3896

Plaintiff's Exhibit 712

5473

BULLETIN OF THE MULTNOMAH COUNTY MEDICAL SOCIETY

Volume 5 Number 7

PORTLAND, OREGON

SPECIAL MEETING

MULTNOMAH COUNTY MEDICAL SOCIETY

Auditorium—Medical-Dental Building

March 29, 1941

8:00 P. M.

N. W. JONES LECTURES—April 3 and 4

page 4

COUNCIL MEETING

Tuesday, April 1, 1941—12:15 P. M.

MALLORY HOTEL

April 1, 1941

5474

BULLETIN OF THE MULTNOMAH COUNTY MEDICAL SOCIETY

Published on the first and fifteenth of each month during the active sessions of the society.

EDITORIAL OFFICE .....Medical Dental Building, Portland, Oregon

CHARLES P. WILSON, M.D., Editor

BUSINESS OFFICE .....LAncaster 1700, 1602 S. E. Division Street, Portland, Oregon

Authorized by the Council of the Multnomah County Medical Society and published under the auspices of the Publicity Committee

PROGRAM

SPECIAL MEETING

MULTNOMAH COUNTY MEDICAL SOCIETY AUDITORIUM

Medical-Dental Building

Saturday, March 29, 1941
8:00 P. M.

THE CHEMOTHERAPEUTIC APPROACH TO TUBERCULOSIS—
Dr. Kendall Emerson

Dr. Emerson is Managing Director of the National Tuberculosis Association and in this capacity is in close touch with the recent advances in chemotherapy as applied to tuberculosis.

5475 ESTABLISHED POLICIES OF THE OREGON STATE MEDICAL SOCIETY

Prepayment plans of medical care are endorsed with certain definite limitations.

Medical care for certain groups can be approved if this care is provided by physician owned and controlled service bureaus.

All physicians practicing ethical medicine must be eligible to perform service under any plan of group medical care.

Hospital service plans offering hospitalization only can be approved if profits are not derived from physician's services.

Voluntary indemnity insurance can be approved if operated by a true insurance company whose medical function is limited to reimbursing the insured.

Other special plans for providing medical care should first be approved by the Council of the Oregon State Medical Society.

Opportunity for the agency operating such plans to practice medicine without a license must not exist or be inherent in the plan.

The physician must be responsible solely to his patient at all times.

An organization or corporation must not make a profit from the physician's services.

The Oregon State Medical Society has no fee schedule.

Plaintiff's Exhibit 714

5477 STATE SECTIONS—OREGON

VOL. 43, No. 6

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There is a law. It is called the law of supply and demand; just as long as there is a supply of forms, and complaint sucker doctors to fill them out, the demand will continue, unless we reverse the trend which is not as impossible as it may seem. The power to do so lies largely with doctors themselves, if they have the wits and determination to do something about it. This time they *may* get a little outside help, according to the following press release from J. Edwin Dowling of the Metropolitan Life Insurance Company:

As a step to relieve the burden imposed by war conditions on the medical profession, the adoption of two new short simplified statement forms to be filled out by physicians for their patients who have accident or sickness claims under personal accident or health policies is being recommended by The International Claim Association and the Health and Accident Underwriters Conference to companies writing these forms of insurance.

Introduction of the new forms, the Association believes, will be an advantage not only from the physicians' standpoint but also in enabling policyholders to establish their claims more promptly.

"The standardization and simplification of forms is especially important at this time, when every doctor remaining on the home-front is called upon to serve a vastly increased number of patients and has the added handicap of a shortage of clerical help," said J. Doyle DeWitt, Secretary in charge of the Claim Departments of The Travelers Insurance Company of Hartford and President of The International Claim Association. "With the companies using a standard form and the amount of information requested held to a minimum, the doctor can fill out the blanks much more easily and the policyholders who are his patients can more promptly establish their claims."

The new physician's statement blanks have been drafted jointly by the Medical Conference Committee of the Claim Association headed by A. G. Frankhauser of the Continental Casualty Company of Chicago and a special committee of the Underwriters Conference headed by George W. Young, Secretary of the Inter-State Business Men's Company of Des Moines. These committees have had the interested cooperation of Dr. R. G. Leland, Director of the Bureau of Medical Economics of the American Medical Association, and also of the Governing Committee of the Bureau of Personal Accident and Health Underwriters.

The questions on the simplified blanks are designed to bring out the facts necessary to establish the claim. All other questions have been eliminated. No notarial acknowledgment or other verification by the doctor is required.

The above, if consummated, is a step in the right direction, but so far it is only the adoption which has been recommended amid all the high sounding titles and involved committees; actual use of the proposed forms may be a long way off.

In some respects the last sentence is the best of the entire release. Many doctors see red (we think properly so) when confronted with a simple report requiring notarial verification. Chief offenders in this respect are some of the so-called beneficiary plans, including a number connected with labor unions. The inclusion of the notarial requirement is plainly an insult to the integrity of the medical profession.

Many Oregon doctors absolutely refuse to fill out such a form or, if doing so, carefully strike out the offending part. The forms have no legal standing as far as doctors are concerned and they are not legally required to fill any of them unless they wish to do so. The only forms legally requiring notarial signature by a physician are those having to do with premarital examinations, which could likewise be dispensed with) and settling the affairs of an estate. All others may be completely ignored as being merely the expression of rules adopted by commercial concerns for their own convenience; doctors are not a party to these rules and need not abide by the company requirement.

History of the notarial arrangement reveals it was probably inserted by attorneys ostensibly as a deterrent to the filing of false or fraudulent claim, to which reason there perhaps could be ordinarily little objection. However, it has the practical effect, if doctors take it seriously, of re-

lieving the sponsors of the burden and necessity of investigating their own claims which is something quite different.

Those concerned should do their own investigating. If it develops any physicians and surgeons are off base in the matter of fraudulent claims, the incidents should be brought to the attention of the grievance committee of the county medical society concerned or the State Board of Medical Examiners, both of which have means of rectifying any such development, in addition to which there are the established laws against fraud.

A safe practice to follow regarding report forms is that used by many doctors, depending upon the source and purpose of the form, so that no imposition upon or exploitation of the profession occurs. The test of "source and purpose" almost automatically designates the category into which any report falls, and indicates the peferential method of treatment in each specific instance.

Reports to which the profession is a party, such as those of the state industrial accident commission, are filled out without question, although it is generally conceded the simplicity of these and the mannner of filing could well be improved. There is no charge made for these reports.

Death claims in bona fide insurance cases are likewise not questioned, although for probate or estate purposes a notarized signature of the doctor is usually required. For completing this type of form, the physician is within his rights in making a charge, but in practice the charge for making *one* report is occasionally waived; for executing duplicate or successive reports a charge is definitely in order. The fee in these cases is the responsibility of the beneficiary in whose interest the service is sought.

Forms from bona fide indemnity insurance carriers may be safely filled, but preferably a brief letter setting forth the fact of illness or accident and duration of any disability alone should suffice. A charge for this letter should invariably be made, since it is a convenience to the patient which requires a physician's time and professional knowledge; a charge should also be made for each similar or additional letter furnished the patient.

Reports requested by insurance companies, concerning applicants or claimants who have been previously seen as private patients, may be completed ethically, provided two points are kept in mind. The physician should first receive the permission of the patient, preferably written, authorizing him to disclose the information sought. The charge for this service, established by the State Council in 1938

at the minimum of three dollars, is made to the insurance company, since the information sought is for their direct benefit in determining insurability and adjusting claims. Refusal of an insurance company to compensate as outlined above should be reported to the secretary of the state society immediately.

Finally, another type of form comes under an entirely different category.

Reports desired by the providers of pseudoindem-
5478 nity insurance constitute a most pernicious attack upon the practice of medicine because of their apparently harmless appearance and seeming innocence. The profession cannot be too alert to this insidious danger, which can be recognized by the presence of one or both of two cardinal signs: *There is an accompanying or implied fee schedule of third-party origin, designed to have the physician charge for his services on a basis other than of his own choosing and to which he is not a party; there is a direct or indirect interest of a third party unnecessarily intruded into the direct doctor-patient relationship.* Request for such reports, either by the patient or by any third-party commercial individual or organization, should be most carefully scrutinized and invariably ignored or refused if at all off-color.

A further test of recognition for this type of report, if one be necessary, is the attitude of the intruding commercial interest, organization or individual. Almost without exception the doctor's refusal to furnish the requested report will be pounced upon by the interested commercials and, with a great show of concern for the patient's welfare, the doctor in particular, the American Medical Association and the organized profession in general will be damned and otherwise excoriated to the high heavens.

At this point time should be taken out to explain to the patient that the doctor's concern and legal contract are with him, the patient, direct and alone, not with or through a nonessential third party, and the presence of any third party intruded into the picture is or would be without the doctor's knowledge or consent, therefore unacceptable and obnoxious to him as a doctor, in addition to being totally unnecessary. No charge should be made for the time spent with the patient in having him understand the doctor's position clearly, although it may interfere with other demands of practice. It should be considered a small contribution to better public relations and the protection of a grand profession against its enemies without and within.

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SOCIETY MEETINGS

Clackamas County Medical Society

The Clackamas County Medical Society held the last meeting before summer vacation May 26 at the Barclay House in Oregon City. The regular meetings will resume again in the fall. This past season the meetings have all been held at the Barclay House, following some fine dinners. The Society is very grateful to the State Society for its kind assistance and to Mr. Foley for the very interesting programs he has arranged for us. At the last meeting Dr. John H. Labadie gave an interesting and instructive discussion on Chronic Vesicular Eruptions of the hand. His vivid description of these conditions enlightened the general practitioner considerably.

Multnomah County Medical Society

The May meeting of Multnomah County Medical Society, which took the form of a dinner meeting at the Benson Hotel on May 3, was devoted exclusively to matters of medical economics. Major speaker and official guest was Thompson Coberth, president of Oregon State Medical Society and director of Oregon Physicians' Service, whose topic, "Is 1944 a Critical Year for Medicine," was loudly acclaimed.

John Fitzgibbon, delegate to the A.M.A., reviewed the National picture with reference to the recently published survey of the National Physicians Committee.

Other speakers were Harold Blosser, medical advisor to O.P.S., Paul Neely of the Multnomah supervisory committee, and Mr. Willard Marshall, general manager of O.P.S., who discussed certain phases and problems of O.P.S. affairs.

The meeting was conducted under the leadership of E. E. Gambee, Multnomah County Society President.

Southern Oregon Medical Society

The fifty-third annual session of Southern Oregon Medical Society was held on May 11 at Camp White, through the kind invitation extended by Col. F. T. Chamberlain,

* * * * *

(This exhibit is part of the June 1944 issue of *Northwest Medicine.*)

Plaintiff's Exhibit 715

5479 HOSPITAL CONTRACTS

Recently it has come to our attention that there is at least one instance in Alaska where a hospital has been contracting with an industrial concern to supply both hospital and medical care for their accident cases. We do not feel that this a fair type of practice and it is not considered to be ethical by the medical profession.

Realizing that the hospitals in Alaska have had financial difficulties at times, the doctors have been hesitant in the above case in charging the hospital for their services. This has resulted in a direct contribution of money to the hospital, but this is not the right way for contributions to be made. We feel that no hospital should participate in such a contract.

We would like to know if there are any other instances of such contracts in the Territory. If any doctors know of hospitals carrying similar contracts, the Secretary of the Association would like to receive letters about the same or letters of comment in general about this practice.

* * * * *

(This is a part of the June 1945 issue of *Northwest Medicine.*)

Plaintiff's Exhibit 716

5480 NORTHWEST MEDICINE

Journal of Oregon State Medical Society, Washington State Medical Association, Idaho State Medical Association and Alaska Territorial Medical Association

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This journal goes to press the first day of the month. Material for publication should be received by the 25th of the preceding month.

Original articles are accepted for publication on condition that they are contributed exclusively to this journal.

Reprints will be furnished by the printer according to the schedule of prices which accompanies the galley proofs

submitted to the author. The order for reprints should accompany the returned galley proofs. The printed holds the type until the first of the following month.

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Illustrations will be provided by the journal to the extent of moderate cost, beyond which the contributor may provide anything he desires. Arrangements can be made by correspondence.

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This journal is not responsible for opinions or statements made by authors in communications or papers which have been published. The author will be held entirely responsible.

EDITORIALS

Council on Medical Service and Public Relations at Portland

Among the various departments of the American Medical Association, none seems destined to come closer to the individual physician than the recently established Council on Medical Service and Public Relations. This was demonstrated at the regional meeting in Portland, April 7, which was attended by representatives from California, Oregon, Washington, Idaho, Montana and Alaska. The opinion was expressed by a number present that they had rarely attended a medical meeting, from which so much of interest and value was obtained. Pertinent and specific addresses were delivered by Chairman John H. Fitzgibbon of the Council, Dr. Joseph S. Lawrence, its director, and Mr. Thomas A. Hendricks, acting secretary, all of whom discussed from different standpoints the reason for establishing the Council and its objectives. Emphasis was placed on the intention of approaching the individual doctor as far as possible, bringing to him the plans and purposes of the American Medical Association and obtaining from him suggestions and criticisms, with the assurance that these would be considered with the purpose of bringing the national organization closer to the individual doctor. Attention was called to *The Bulletin* and *News Letter*, published by the Council, at stated intervals, which discuss congressional medical legislation and many other matters of vital interest to all physicians, which may be received by application to the Council.

Both Dr. Lawrence and Mr. Hendricks discussed with much detail the reasons for establishing the Council, and

amplified its purposes and ambitions. Every physician is well aware of the criticisms and innuendoes cast upon the A. M. A. coming from physicians and laymen, many of whom have asserted that it was an exclusive organization which has failed to keep the public informed of its plans for promoting medical practice in a manner to benefit the public, especially criticising the failure to be represented at the national capital, where much legislation has been introduced pertaining to

5481 • • • • •

HOUSE OF DELEGATES EXTENDS "PRIVATE PATIENT POLICY" TO INDUSTRIAL AND RAILROAD CONTRACTS

Recognizing the importance of doing something definite about the long standing exploitation and other abuses thrust upon the medical profession by industrial and the railroad type of contracts, the spring meeting of the House of Delegates took significant action to correct these unfair impositions upon patients and doctors by voting to extend its policy of "private patient status" to all patients heretofore coming under those contracts.

Three significant points in taking this action should be stressed. The sentiment and insistence for adoption of this policy was led by doctors who hold or recently held contracts with some railroad. The vote by which the policy was extended was unanimous. The policy is effective immediately.

There is nothing new in this policy. It has long been established and operative in dealing with those who have some sort of contract with commercial hospital associations. That its extension to exploiting industrial and railroad contracts should have been so long delayed is the only thing to occasion surprise.

5482 Under the new arrangement all former railroad and industrial contract patients have the right to make a free choice of a physician and surgeon. While some will no doubt continue to consult the previously known "company" doctor, it is believed the majority will prefer to consult their own private or family physician. All physicians are expected to see these patients (there is no question of any sit-down strike) but they will see them strictly as private patients and must look to the individual patient for payment of their fees. These may be the physician's private fee, but the suggestion was made that for uniformity an

effort be made to follow the Oregon Physicians Service or State Industrial Accident Commission fee schedule. This is not required. The important thing is that each physician may place the value upon his services without third party dominance or interference in the doctor-patient relationship. A receipt should be furnished each patient at the time of each visit, as it is understood the companies concerned will probably establish a program of reimbursement to the affected employees.

To judge from the sentiment of the Delegates' meeting, there should be no occasion for doctors to fail to follow this policy in their own professional and financial interest. If there are any such instances other remedies may be applied.

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Plaintiff's Exhibit 717

5484

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been published. The author will be held entirely responsible.

5486 STATE SECTIONS

Oregon State Medical Society

[Emblem]

Annual Meeting

Gearhart, Sept. 26-28, 1946

Opinions, Views or Comments presented in articles appearing in this section are those of the individual authors and are not necessarily those of Oregon State Medical Society.

VETERANS ADMINISTRATION MAY USE OREGON PHYSICIANS SERVICE

Complying with the expressed wishes of the council of Oregon State Medical Society, officials of Oregon Physicians Service have been closely watching developments between the Veterans Bureau and the various doctor sponsored service plans throughout the country, with the result that by the time this appears in print it is more than likely a contract will have resulted with O.P.S., whereby medical care for Oregon veterans will be furnished by their home town family physicians.

This policy is another step in the decentralization plans of the Veterans Administration as announced by General Hawley at recent meetings. Such contracts are now in effect in Michigan and California, and at time of this writing encouraging negotiations were under way in Oregon and Washington.

Major factors in the decision of the Veterans Administration to use the state doctor-sponsored service plans were the desire to spread the medical care of veterans into their home communities by utilizing their home physicians and the existence of a state-wide uniform fee schedule. Without the latter the plan would bog down for administrative reasons. This does not mean that the various local bureaus throughout the state will not participate in the medical care plan. It merely means that, insofar as veterans are concerned, reports will go to O.P.S. officers and payments be made therefrom in accordance with their fee schedule.

Official announcement of effective date of the plan's operation in Oregon was expected to follow closely the

visit of Willard Marshall, O.P.S. general manager, to Washington, D. C., billed for mid-February, as through the wording of the law dealing with veterans' affairs the contract can be signed only in the national capital.

Success of the arrangement will depend entirely upon the individual efforts of each physician in dealing with his veteran patient. The opportunity for the private practitioner is one rarely offered in the past several decades. It enables the profession to prove once and for all that the private relationship of doctor-patient can do a better job than any legislative health program can hope to equal, as well as protecting the Veterans Administration from unjust and questionable claims.

G. B. LEITCH

MIDYEAR HOUSE OF DELEGATES MEETING

The midyear meeting of the house of delegates of Oregon State Medical Society has been set for April 5 and 6, with Portland again the location because of continuing travel uncertainties. Exact place of the meetings has not been arranged, but the probabilities are the scene will again be the Multnomah Hotel.

Because of travel and hotel congestion delegates and others planning to attend the meetings should make hotel reservations well in advance of the scheduled dates. A full day meeting on Saturday and a half day on Sunday are believed sufficient to dispose of the house's business affairs.

STATE SOCIETY PRESIDENT TO VISIT COUNTY UNITS

Following the custom established by many predecessors, Lansford M. Spalding, president of Oregon State Medical Society, has made plans to visit most of the component societies during his term of office.

First official visit was made to the Tillamook county society, at which time Jon Straumfjord, Astoria, councillor of the Clatsop-Tillamook area, accompanied Dr. Spalding. Representatives of the Oregon Physicians Service also attended the meeting.

Second on the list for Dr. Spalding's visits was the Marion-Polk county society, which met in Salem in mid-December. His visit coincided with a directors' meeting of O.P.S. held in Salem, and the Marion-Polk physicians were also hosts at their dinner meeting to Drs. Jos. A. Brennan

of Pendleton, Gordon B. Leitch of Portland, and Henry Garnjobst of Corvallis, district councillor.

Dr. Spalding's absence from the state prevented any official visits during January and February, but the state society president plans to resume these in March, and hopes to cover a large portion of the state before the spring session of the house of delegates April 5 and 6.

Tentative schedule of Dr. Spalding's remaining visits is as follows:

March 16: Central Oregon Medical Society, Bend.

March 17: Klamath County Medical Society, Klamath Falls.

March 18: Jackson County Medical Society, Medford.

March 19: Josephine County Medical Society, Grants Pass, and Douglas County Medical Society, Roseburg.

March 20: Lane County Medical Society, Eugene.

5487 Following a break of a few days Dr. Spalding plans to start the final phase of his statewide swing, with the following tentative dates:

March 23: Mid Columbia Medical Society, The Dalles.

March 24: Umatilla County Medical Society, Pendleton.

March 25: Union County Medical Society, La Grande, and Baker County Medical Society, Baker.

Present plans call for local councillors to accompany Dr. Spalding on most of his visits, and at certain locations invitations have also been extended to representatives of O. P. S. to be present.

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Plaintiff's Exhibit 718

5490 STATE SECTIONS

Oregon State Medical Society

[Emblem]

Annual Meeting Gaerhart, Sept. 26-28, 1946

Opinions, Views or Comments presented in articles appearing in this section are those of the individual authors and are not necessarily those of Oregon State Medical Society.

IS MORSE RESOLUTION A PART OF "BIG MUSCLES" MANOEUVER?

Senator Morse, by sponsoring Joint Resolution 137, has not helped to allay the doubts in the minds of many

thinkers in the medical profession, raised by his previous association with Senator Pepper's super EMIC bill. On its face the resolution has the vague and indefinite language, and other earmarks which raise questions among the profession. This is more readily seen when certain portions are italicized, as follows:

"Resolved . . . that the Secretary of Labor, *acting through the Children's Bureau* of the Department of Labor, is authorized, in *cooperation with* Federal, State and local agencies *and qualified institutions of higher education* . . . to demonstrate in representative urban and rural areas, *methods of conducting school examinations, and providing school health services.*"

If this is not another effort on the part of the "big muscles" physical directors to pry the door a little wider for their graduates at the expense of the public, the difference is difficult to discern. The pattern appears to follow too closely Oregon's own misnamed School "Health" law to be a mere coincidence.

While Senator Morse's willingness to aid a friend is understandable, in the public interest the resolution should be held for further specific clarification, or preferably, withdrawn.

G. B. LEITCH

"PRIVATE PATIENT POLICY" RESTATED FOR RETURNING DOCTORS

At the request of numerous medical officers recently returned from service, this section prints a review of the essential principles in handling various questionable compensation and insurance "coverage" cases under the private patient policy recommended by the Oregon State Medical Society.

Excluding charity cases, all patients normally seen by doctors fall into two categories, strictly private patients and those covered or protected by some form of contractual obligations, good, bad or indifferent. The handling of private patients needs no elaboration, but handling of the so-called contract cases has some easily avoided pitfalls.

In general, contract cases classed on an ethical basis fall into three main categories: (1) Oregon Physicians Service and State Industrial Accident Commission cases; (2) those cases covered by bona fide insurance carriers, indemnity or otherwise; (3) the rest of the cats and dogs such as

various pseudoinsurance schemes, commercial hospital associations, and sundry benevolent and "company" plans including those of some of the railroads.

Cases falling into the first category should be seen without any question. O. P. S. has a contract with each participating doctor, voluntarily entered into, and the doctors of the state through their own Oregon State Medical Society have entered into a voluntary arrangement with the State Industrial Accident Commission to render medical attention for agreed fees.

Cases falling into the second category offer no great problem since they are usually of a private patient character to start with, and are not directed ordinarily to any small group of physicians, but each patient is free to consult the physician of his own selection.

It is the cases falling into the third category which seem to present a handling problem to *some* doctors, although to most doctors there is no problem whatsoever. These "third-rate coverage" cases have some kind of evidence (usually a "ticket" or some identification), or a story, indicating they may have some form of financial arrangement with some commercial firm. Boring into the case one will usually find there is a questionable feature of some sort in the arrangement. Either the patient is not permitted a free choice of physician, being directed to take his troubles to one or a very small number of doctors, or the doctors, who are willing to see the patient, are deprived of adequate payment in the case, either by being compensated by an inadequate salary or what eventually amounts to reduced fee. In many instances there is often a middle man sitting in the picture extracting a good if unevident thing for the unnecessary handling of the transaction of bringing patient and doctor together.

To avoid the questionable medical contracts of one sort and another falling into the third category mentioned above, there is one definitely safe procedure which is being followed more and more throughout the state. *All patients falling into the third class are seen strictly as private patients.* This enables the ethical doctor to render the medical services sought without becoming involved in any way with the questionable end of the matter, and without becoming an unfair competitor to his colleagues.

The procedure is quite simple. The doctor usually takes enough time off (this is important in preventing a misunderstanding with each patient) to explain to the patient why he is unable to see him under the questionable cover-

age presented, but is more than willing to see him
5491 as a private patient. Care is taken to explain for the medical service furnished, the doctor expects the patient to pay him directly, at which time a receipt will be given. Upon presentation of this receipt to whatever outfit the patient belongs or subscribes, he will undoubtedly be reimbursed, although on the record of past performance it would appear an occasional seeker after reimbursement has had to "holler loud."

As a doctor treating a private patient, the physician is under no obligation whatsoever to make any kind of a report to any third party upon the condition of his patient. The patient, of course, is at liberty to give all the details, and it is his right to demand and receive an itemized statement from the doctor, showing the amounts and the dates of the treatments or charges. Some doctors furnish this itemization at the time receipt for payment is issued, others do not give it until it is requested.

The procedure is not without some financial risk for the doctor involved. The risk is simply the credit risk incidental to seeing any private patient. The patient may not pay.

The thought of the slight financial risk involved, however, has been sufficient in the past to cause many unthinking doctors to panic. Apparently they failed to see that by refusing a dollar from a "guaranteed" source, they were actually protecting themselves, and their colleagues, from being sold down the river on a cut-rate deal. Actually, the exploiters of the profession have heretofore, as now, relied most heavily upon the colossal avarice of certain short-sighted doctors to continue selling the profession down the river of cut-rate medicine, while the exploiters enjoy a huge belly laugh and prosper.

The private patient policy has produced excellent results both ethically and financially for those doctors who have had the courage of their convictions, which may prove a surprise to those avaricious individuals who are busily prostituting their services for a dollar in hand.

* * * * *

(This exhibit is part of the April 1946 issue of *Northwest Medicine.*)

Plaintiff's Exhibit 719

5492 Oregon State Medical Society

COMMITTEE ON THE STUDY OF OREGON PHYSICIANS' SERVICE AND OTHER VOLUNTARY PRE-PAYMENT PLANS

February 5, 1949

Report of Sub-Committee #1

Sub-Committee #1 met January 29, 1949 in Portland. Present were: Dr. Strickland, Oregon City, Dr. Pitman, Hillsboro, Dr. Hyde, The Dalles, Dr. Davis, Diack, Edelson, Johnsrud, Palmer and Laird, Portland and Dr. Leitch, Director, Mr. Marshall, Manager and Mr. Harvey, Assistant Manager of the Oregon Physicians' Service.

The Committee accepted the report of the previous meeting.

Dr. Johnsrud summarized the McKenzie report, a business management survey of O.P.S. operations, October, 1947. In the interest of business efficiency and economy they recommended:

1. Annual outside independent audit.
2. Better actuarial statistics.
3. Consolidation of all claims handling in Portland office.
4. Sales offices to remain in Portland, Salem, Medford and possible set up in Pendleton. Push sales campaign.
5. Larger Board of Directors with greater power in statewide policy including or with advisory panel consisting of representatives of:
   A. Employers
   B. Labor
   C. Public
6. Limitation of supervisory board activities.
7. A full-time medical director.
8. Financial incentives offered management and sales force of O.P.S.

Action on the report of this survey was not taken, it being out of scope of this sub-committee.

Dr. Palmer moved that this sub-committee suggest for consideration by the Committee as a whole that the Oregon State Medical Society discontinues sponsorship of O.P.S. giving instead approval or disapproval of any pre-paid medical service plan which might conform to its professional service and ethical standards. After considerable discussion, this motion was defeated. It was generally felt also to be outside the scope of this sub-committee.

Oregon Physicians' Service Policy

I General Policy

(Dr. Leitch) The primary purpose of O.P.S. policy is to protect private practice and prevent compulsory health insurance.

The Board of Directors decides policy matters only within the limits of O.S.M.S. Council. The Board regards itself essentially as a committee of the council. It often makes policy recommendations to the council for its approval but does not take any action unadvisedly on policy matters.

(Marshall) There are many examples of direction of O.P.S. policy by local county medical societies.

5493 II Physician Participation

(Leitch) In defending present structure and policy making mechanisms said in effect—

1. The Board of Directors-Trustees- O.S.M.S. structure is a system of checks and balances. It is set up to avoid the turmoil of total democracy without attempting to make a dictatorship. Direct voice would make minority groups able to block affective action. He was opposed to granting AA stockholders any voting power for above reasons.

2. Annual reports are sent only to Trustees, State and County Societies. This is a matter of policy with the Board of Directors who are afraid of "leaks" to the "enemy" and that information will "show up in the hands of social planners in Washington, D.C.". It is also felt to be too expensive to send reports to each physician and that they would prefer this money as an addition to their checks.

3. The Board of Directors in place of direct democratic control has made it a policy to welcome any objections or criticisms on the part of participating physicians by a hearing before the board.

III McKENZIE SURVEY

When asked what action had been taken on the McKenzie survey, Leitch and Marshall said that, because no response was forthcoming from local or state medical societies, no board action was taken. The Board of Directors felt that this was "not the time" to institute such changes though some were contemplated in the future. A few recommendations have been put into action as the "timing" indicated.

PROMOTION AND SALES POLICY

IV Leitch and Marshall pointed out that there were two possible extremes.

1. To set up a plan and "let the people come and get it."
2. To sell as many contracts as possible.

O.P.S. has acted in between these two extremes trying by trial and error to formulate the best possible coverage plan before pushing its sales and entering all promotion plans with caution.

V PUBLIC RELATIONS

O.P.S. admits that they take "poor risk contracts" that no other competitor would touch as a matter of public policy (teacher groups, etc.) at the request of Medical Society Council.

The greatest public relations headache for any medical service plan is the existing illness problem. O.P.S. policy has been that when in doubt as to responsibility the problem is result in favor of the subscriber. Actual determination of this rests largely with the participating physician. The practice of covering all pre-existing conditions after an initial waiting period, six months, has not been adopted by O.P.S.

5494 VI Coverage

It was estimated (Marshall and Harvey) that O.P.S. covered approximately 110,000 in the state (55,000 in Multnomah County). National Hospital Association approximately 45,000 in the state. Industrial Hospital Association approximately 35,000 in the State.

It was thought that both these and other plans were operating at a profit and that the O.P.S. could likewise profitably be operated if subjected to the same strict and purely business control.

VII Type of Contract

In the past it has been the policy to offer as wide a coverage as possible in the way of medical service. "Full Coverage" This is considerably effected by:

A. Competition

B. Oregonians in general are educated to the idea of full medical and hospital coverage.

It was stated (Leitch, Marshall and Harvey) that competition from other medical service plans largely determine the O.P.S. coverage policies: That contract forms offered now to employee groups (all this competitive field to medical service) were pretty well defined by this factor alone and any changes made in these O.P.S. contracts or premiums would "drive business into the hands of our competitors".

At present, two types of limited coverage plans are being offered to individuals, families, non-competitive field and to one employed group. In the first two there is an income limitation of $6000.00 net. Employed groups generally prefer or demand full coverage and competing groups dictate that it shall be offered. Early experience with the first call deductable plans indicated a possible increase of from twenty to forty per cent in the pool available for doctors' payment.

O.P.S. has approximately fifty industrial aid contracts out of 2800 group contracts in which industrial accident coverage is furnished.

These pay 100 per cent of the State Industrial Accident Commission fee schedule but are on the whole operated at a loss by O.P.S. These are offered only when absolutely necessary to secure the group contract.

Indemnity type contracts for medical costs were discussed and have been considered by Board of Directors, Council and so forth but are not offered for following reasons:

1. This is the province of commercial insurance company.

2. Difficulty in competiting in a field.

3. O.P.S. not qualified legally as an insurance company.

VIII Actuarial

Marshall stated that an actuarial department is being developed to investigate risk, experience in relation to type of employment, group type and so forth.

5495 IX Income Level

There is no minimum income level applied to any of the O.P.S. subscribers in employed groups. Leitch stated that the administrative difficulties in policing any income level restriction nullified any advantage of its application. A limit of $6000.00 net has recently been applied to certain limited contracts in Multnomah County.

X Hospital

The question of hospitalization was raised. O.P.S. income has not kept pace with cost of hospitalization. It was stated by Harvey that hospitalization cost represented about 15% of gross income (Multnomah Medical Service Bureau) from 1935 to 1940. Now hospital costs represent 28% of O.P.S. income. (These figures vary somewhat in different regions of the State). In addition, during this period subscribers' rates have been increased several times.

The O.P.S. was unable to negotiate satisfactory arrangements with Blue Cross (four attempts 1942 to 1946) for the latter to carry the hospital liability in a combined contract. (Marshall and Harvey) The difference at the last time June '46, was approximately $.77 O.P.S. cost to $1.10 Blue Cross per subscriber month. At present, figures are approximately 1.05 to 1.50. It was stated that O.P.S. was paying 100% hospitalization fees where Blue Cross pays approximately 90%. Leitch stated a definite fear of any alliance of O.P.S. with Blue Cross as being not to the best interest of physicians.

The above report represents as nearly as possible the views of the Board of Directors and Management on the practices and policies of O.P.S.

Respectfully submitted,

A. W. Diack

Plaintiff's Exhibit 720

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REPORTS OF SOCIETY MEETINGS

OREGON

Central Willamette Medical Society

Pres., H. R. Kauffman; Secty., L. M. Bain

Central Willamette Medical Society met Thursday, January 7, at Corvallis for its regular monthly meeting. Doctors were present from Eugene, Albany, Lebanon, Corvallis and other points in the four counties making up the society. The banquet was served at the Benton Hotel and after the transaction of business the paper of the evening was given by Sherman E. Rees of Portland on the subject, "Radiographs of the Abdomen." The next meeting will be held in Eugene on the fourth Thursday of February.

New officers for the Central Willamette Medical Society for 1937 are: H. R. Kauffman, Toledo, president; Charles E. Hunt, Eugene, president-elect; Joel Booth, Lebanon, vice-president; L. M. Bain, Albany, secretary.

Lane County Medical Society

Pres., E. L. Zimmerman; Secty., E. D. Furrer

Lane County Medical Society held a meeting January 15 with the staff of the health service at University of Oregon at the new university infirmary. A tour of inspection was made of the new building, dinner was served at the faculty club and following the dinner a program was put on by Fred Miller, director of the university health service and Marion Hayes of the health service. Walter Browne, the third member of the health service, also assisted. The subject was "Pulmonary Tuberculosis and Pneumonia as Diagnosed and Treated on the Campus." All students are given tuberculin tests on admission and before graduation and all positive reactors have roentgen films of the chest. Many incipient cases have been picked up in this manner. This examination is compulsory to all students.

The new officers for 1937 for Lane County Medical Society are: president, E. L. Zimmerman; president-elect,

G. S. Beardsley; vice-president, Charles Donahue; and secretary, E. D. Furrer.

The new infirmary, recently completed at a cost of $120,000, is the very latest word in infirmary and hospital construction. The equipment and arrangements are the very finest and many modern innovations are seen throughout the building. The most modern laboratory and roentgen equipment is installed. There are several full time nurses on duty and at present the beds are practically filled as there is a moderate epidemic of influenza on the campus. Complete medical service is given to students with the exception of major surgery.

Multnomah County Medical Society

Pres., B. R. Brooke; Secty., J. C. Adams

Multnomah County Medical Society held its annual meeting at Benson Hotel, Portland, December 16. Otis F. Akin was installed as president, and Robert L. Benson was named president-elect. Howard P. Lewis was elected secretary. John C. Adams, Charles E. Sears, Roy A. Payne, Leo S. Lucas, James E. Buckley, E. W. Rockey, and B. O. Woods were elected to the council.

(This exhibit is part of the February 1937 issue of *Northwest Medicine.*)

Plaintiff's Exhibit 721

5498 OREGON PHYSICIANS' SERVICE

Standing Sub-Committees of the Board of Directors

For Year of 1944-45

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1. PROFESSIONAL RELATIONS COMMITTEE

   Gordon B. Leitch, Chairman (Portland)
   J. V. Straumfjord, (Astoria)
   R. Lloyd Tegart, (Portland)

2. PUBLIC RELATIONS COMMITTEE

   Thompson Coberth, Chairman (The Dalles)
   A. H. McLean (Oregon City)
   John Besson (Portland)

3. LEGAL RELATIONS COMMITTEE

   D. R. Roses, Chairman (Salem)
   C. W. McCain (Hood River)
   E. E. Gambee (Portland)

4. SUBSCRIBER RELATIONS COMMITTEE

   L. M. Spalding, Chairman (Astoria)
   Verne L. Adams (Myrtle Creek)
   Harry B. Moore (Portland)

5. EMPLOYER RELATIONS COMMITTEE

   George I. Hurley, Chairman (Euguene)
   Charles E. Sears (Portland)
   J. H. Garnjobst (Salem)

Plaintiff's Exhibit 722

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NORTHWEST MEDICINE ADVERTISER

DIRECTORY OF COUNTY MEDICAL SOCIETIES

IDAHO

Bonner-Boundary Counties Society
President, F. W. Durose, Bonners Ferry — Secretary, L. J. Stouffer, Priest River

Idaho Falls Medical Society
President, H. L. Wilson, Idaho Falls — H. B. Woolley, Idaho Falls

Kootenai County Society
President, W. T. Wood, Coeur d'Alene — Secretary, H. J. Dodge, Coeur d'Alene

North Idaho District Society
President, W. S. Douglas, Lewiston — Secretary, A. J. White, Lewiston

Pocatello Medical Society — First Thursday – Pocatello
President, J. R. McMahon, Pocatello — Secretary, W. L. Clothier, Pocatello

Shoshone County Society
President, E. J. Fitzgerald, Wallace — Secretary, J. R. Bean, Wallace

Southwest Idaho District Society
President, R. S. Smith, Boise — Secretary, R. L. White, Boise

South Side Medical Society — Second Tuesday
President, M. J. Fuendeling, Twin Falls — Secretary, L. C. Thompson, Twin Falls

Upper Snake River Society
President, Asaii Tali, Rigby — Secretary, C. B. Rigby, Rigby

OREGON

Baker County Society
President, C. J. Bartlett, Baker — Secretary, C. L. Blakely, Baker

Benton County Society — Second Friday
President, N. L. Tartar, Corvallis — Secretary, W. W. Ball, Corvallis

Central Oregon Society
President, P. C. Woerner, Bend — Secretary, H. E. Mackey, Bend

Central Willamette Society — First Thursday
President, H. N. Whitelaw, Corvallis — Secretary, W. W. Ball, Corvallis

Clackamas County Society
President, J. P. Cleland, Oregon City — Secretary, W. R. Eaton, Oregon City

Clatsop County Society
President, F. W. Rafferty, Astoria — Secretary, V. E. Fowler, Astoria

Columbia County Society
President, J. H. Flynn, St. Helens — Secretary, E. S. Koziol, St. Helens

Coos and Curry County Society
President, R. M. McKeown, Coos Bay — Secretary, L. B. Gould, Coquille

Douglas County Society
President, E. J. Wainscott, Roseburg — Secretary, B. R. Shoemaker, Roseburg

Eastern Oregon District Society
President, L. B. Bouvy, La Grande — Secretary, E. S. Morgan, Pendleton

Jackson County Society — Second and Fourth Wednesdays
President, R. E. Sleeter, Medford — Secretary, R. E. Poston, Medford

Josephine County Society
President, C. L. Ogle, Grants Pass — Secretary, S. B. Osgood, Grants Pass

Klamath County Society — Second and Fourth Wednesdays
President, E. D. Lamb, Klamath Falls — Secretary, J. M. Hilton, Klamath Falls

Lake County Society — Fourth Thursday
President, C. E. Leithead, Lakeview — Secretary, J. H. Robertson, Lakeview

Lane County Society — Third Friday
President, M. S. Jones, Springfield — Secretary, G. E. Abbott, Eugene

Lincoln County Society
President, J. A. Hardiman, Newport — Secretary, O. N. Callender, Toledo

Linn County Medical Society
President, L. M. Bain, Albany — Secretary, J. F. Hosch, Albany

Malheur County Society
President, C. E. Palmer, Ontario — Secretary, R. R. Belknap, Ontario

Marion-Polk Medical Society — Second Tuesday
President, A. T. King, Salem — Secretary, G. A. Niles, Salem

Mid-Columbia Society
President, Marcus Throne, Hood River — Secretary, I. J. Scovis, The Dalles

Multnomah County Society — First and Third Wednesdays
President, Blair Holcomb, Portland — Secretary, M. F. Gilmore, Portland

Southern Oregon Medical Society
President, R. E. Poston, Ashland — Secretary, F. C. Adams, Klamath Falls

Tillamook County Society
President, G. W. Lemery, Cloverdale — Secretary, E. R. Huckleberry, Tillamook

Umatilla County Society
President, J. W. Grondahl, Pendleton — Secretary, T. M. Barber, Pendleton

Union County Society — Fourth Tuesday
President, C. L. Gilstrap, La Grande — Secretary, L. W. Ager, La Grande

Wallowa County Society — First Thursday
President, A. F. Martin, Enterprise — Secretary, W. W. Kettle, Joseph

Washington County Society
President, A. O. Pitman, Hillsboro — Secretary, F. T. Burke, Hillsboro

Yamhill County Society — First Tuesday
President, Murch Russell, Sheridan — Secretary, H. M. Stolte, McMinnville

Oregon Acad. of Ophthalmology and Otolaryngology — Third Tuesday, Old Heathman Hotel, Portland
President, H. E. Carruth, Portland — Secretary, F. L. Dunnavan, Vancouver

WASHINGTON

Chelan County Society — First Wednesday – Wenatchee
President, R. T. Congdon, Wenatchee — Secretary, C. E. Conner, Cashmere

Clallam County Society — Second Tuesday – Port Angeles, Sequim
President, R. S. Hamilton, Port Angeles — Secretary, W. H. Taylor, Port Angeles

Clark County Society — First Tuesday – Vancouver
President, I. C. Munger, Vancouver — Secretary, S. P. Lehman, Vancouver

Cowlitz County Society — Third Wednesday
President, A. F. Birbeck, Longview — Secretary, J. S. McCarthy, Longview

Grays Harbor County Society — Third Wednesday – Aberdeen
President, F. T. O'Brien, Montesano — Secretary, M. F. Fuller, Aberdeen

Jefferson County Society
President, H. S. Plut, Port Townsend — Secretary, R. S. Crist, Port Townsend

King County Society — First Mondays – Seattle
President, H. E. Nichols, Seattle — Secretary, Bruce Zimmerman, Seattle

Kitsap County Society — Second Monday – Bremerton
President, H. V. Larson, Poulsbo — Secretary, J. B. Porter, Port Orchard

Kittitas County Society — Third Monday – Ellensburg and Cle Elum
President, E. K. Giere, Ellensburg — Secretary, R. M. Hill, Ellensburg

Klickitat County Society
President, T. G. Lathrop, White Salmon — Secretary, R. P. Atkinson, Goldendale

Lewis County Society — Second Monday – Centralia and Chehalis
President, L. G. Steck, Chehalis — Secretary, Rush Banks, Centralia

Lincoln County Society
President, L. F. Wagner, Harrington — Secretary, J. E. Anderson, Wilbur

Okanogan County Society
President, S. A. Porter, Omak — Secretary, Elizabeth Gunn, Omak

Pacific County Society, Third Saturday – Raymond and South Bend
President, F. W. Anderson, South Bend — Secretary, O. R. Nevitt, Raymond

Pierce County Society — Second Tuesday – Tacoma
President, W. H. Ludwig, Tacoma — Secretary, J. L. Hansen, Tacoma

Skagit County Society — Fourth Monday
President, R. L. Simpson, Sedro-Woolley — Secretary, E. A. Posell, Sedro-Woolley

Snohomish County Society — First Thursday – Everett
President, J. W. Darrough, Everett — Secretary, W. J. Wagner, Everett

Spokane County Society — Second and Fourth Thursdays – Spokane
President, R. L. Ratchford, Spokane — Secretary, L. C. Pence, Spokane

Stevens County Society
President, F. L. Peterson, Chewelah — Secretary, C. J. Carson, Chewelah

Thurston-Mason Counties Society — Fourth Tuesday – Olympia
President, B. F. Collier, Shelton — Secretary, Keith Cameron, Olympia

Walla Walla Valley Society — Second Thursday – Walla Walla
President, W. V. Frick, Dayton — Secretary, C. O. Hogerson, Walla Walla

Whatcom County Society — First Monday – Bellingham
President, E. C. Stimpson, Bellingham — Secretary, S. R. Boynton, Jr., Bellingham

Whitman County Society — First Thursday – Colfax
President, W. A. Mitchell, Colfax — Secretary, Conrad Weitz, Colfax

Yakima County Society — Second Monday – Yakima
President, F. G. LeFor, Yakima — Secretary, J. H. Law, Yakima

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Puget Sound Acad. of Ophthalmology and Oto-Laryngology — Third Tuesday – Seattle and Tacoma
President, J. A. Weber, Seattle — Secretary, B. E. Peden, Seattle

Corrections and additions to this list are requested from the societies represented.